

Franklin R. Cragle, III (VSB No. 78398)
HIRSCHLER FLEISCHER, P.C.
The Edgeworth Building
2100 East Cary Street
Post Office Box 500
Richmond, Virginia 23218-0500
Telephone: 804.771.9515
Facsimile: 804.644.0957
E-mail: fcragle@hirschlerlaw.com

*Counsel for Richard Arrowsmith,
Liquidating Trustee of the HDL Liquidating Trust*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:

**HEALTH DIAGNOSTIC LABORATORY,
INC., *et al.*,**

Debtors.¹

**RICHARD ARROWSMITH AS
LIQUIDATING TRUSTEE OF THE HDL
LIQUIDATING TRUST,**

Plaintiff,

v.

CAUSEWAY MEDICAL LLC, *et al.*

Defendants.

Chapter 11

Case No.: 15-32919-KRH

Jointly Administered

Adv. Pro. No. 17-03846-KRH

ORDER GRANTING THE ENTRY OF DEFAULT AND DEFAULT JUDGMENT

On November 4, 2020, Richard Arrowsmith, in his capacity as Liquidating Trustee of the HDL Liquidating Trust (the “**Liquidating Trustee**”), appointed pursuant to the confirmed

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Health Diagnostic Laboratory, Inc. (0119), Central Medical Laboratory, LLC (2728), and Integrated Health Leaders, LLC (2434).

Modified Second Amended Plan of Liquidation (the “**Plan**”)² of Health Diagnostic Laboratory, Inc., and its affiliated debtors and debtors in possession (the “**Debtors**” or “**HDL**”) in their jointly administered bankruptcy cases (the “**Chapter 11 Cases**”), by and through his undersigned counsel, filed his *Motion for Entry of Default and Default Judgment* (the “**Motion**”) against Causeway Medical LLC, Lynn Mercurio and Greg J. Mercurio (collectively, the “**Defendants**”)³, in the above-captioned Adversary Proceeding.⁴ The Court, having considered the Motion submitted by the Plaintiff, it appearing that due notice was given and that good cause exists to grant the relief sought in the Motion, it is hereby

ADJUDGED, ORDERED AND DECREED:

1. The Motion is **GRANTED**.
2. Default is hereby entered against the Defendants as authorized by Federal Rule of Bankruptcy Procedure 7055.
3. Default Judgment is hereby entered in favor of the Plaintiff and against the Defendants in the above captioned Adversary Proceeding and all relief sought by the Plaintiff therein is granted, including the following:
 - a. Plaintiff is hereby awarded the avoidable transfers in the amount of \$4,290.00 which includes the credit resulting from the Trustee’s resolution of Appleton;
 - b. Plaintiff is hereby awarded his costs and expenses incurred in connection with this Adversary Proceeding, including attorney’s fees, in the total amount of \$1,000.00;
 - c. Judgment is entered in favor of the Plaintiff and against the Defendants in the

² Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Plan, which is annexed to the Confirmation Order (as defined herein).

³ Staci Apple previously resolved matters with the Liquidating Trustee and is expressly excluded from this Order.

⁴ Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Motion.

amount of \$5,290.00, which includes the amount of avoidable transfers, costs and expenses, including reasonable attorney's fees;

- d. Post-judgment interest at the maximum legal rate running from the date of the Judgment until the date the Judgment is paid in full;
- e. The Defendants are hereby ordered to pay forthwith the amount of the Judgment granted herein; and
- f. Any Claim of the Defendants pursuant to section 502(d) of the Bankruptcy Code is hereby disallowed.

4. The Defendants are hereby directed to pay forthwith the amount of the Judgment.

Dated: Aug 16 2021
Richmond, Virginia

/s/ Kevin R Huennekens
UNITED STATES BANKRUPTCY JUDGE

Entered on Docket: Aug 18 2021

I ask for this:

By: /s/ Franklin R. Cragle, III
Franklin R. Cragle, III (VSB No. 78398)
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*Counsel for Richard Arrowsmith,
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CERTIFICATE OF ENDORSEMENT
PURSUANT TO LOCAL BANKRUPTCY RULE 9022-1

I hereby certify, under Local Rule 9022-1, that the foregoing proposed Order has been endorsed by and/or served upon all necessary parties.

/s/ Franklin R. Cragle, III
Franklin R. Cragle, III

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